

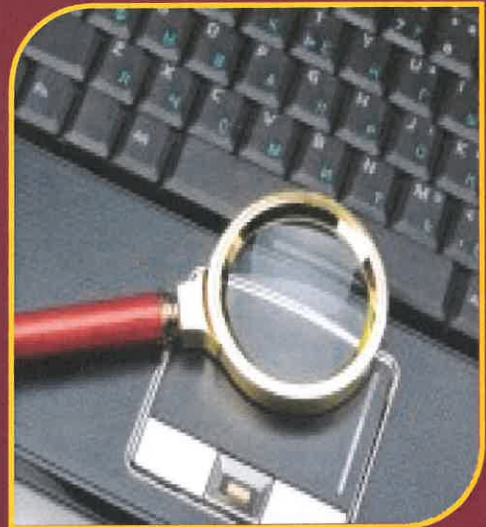
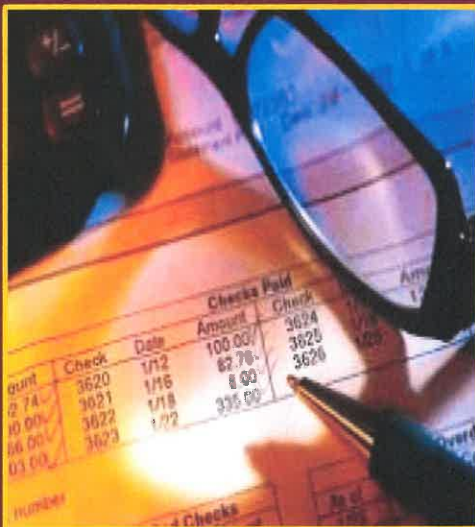


DIVISION OF INSPECTOR GENERAL

KEN BURKE, CPA

**CLERK OF THE CIRCUIT COURT AND COMPTROLLER
PINELLAS COUNTY, FLORIDA**

2017 INSPECTOR GENERAL'S ANNUAL AUDIT PLAN



Hector Collazo Jr.
Inspector General/Chief Audit Executive

JANUARY 17, 2017



Ken Burke, CPA

CLERK OF THE CIRCUIT COURT AND COMPTROLLER
PINELLAS COUNTY, FLORIDA

Clerk of the County Court
Recorder of Deeds
Clerk and Accountant of the Board of County Commissioners
Custodian of County Funds
County Auditor

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January 17, 2017

The Honorable Ken Burke, CPA
Clerk of the Circuit Court and Comptroller

The Honorable Chairman and Members
of the Board of County Commissioners

This 2017 Inspector General's Annual Audit Plan has been prepared to identify planned audits and projects during calendar year 2017 and the basis for their selection. This audit plan is the result of the development of a risk model to assess risks of various County operations for the purpose of indicating the need for an audit. We also solicited input from the Board of County Commissioners, County Administrator, County Management, County Attorney, Pinellas County Constitutional Officers, the Management of the Clerk's Office, and County Employees.

It is important that the Division of Inspector General has a sound methodology for the selection of its audits and projects. This will ensure an independent, objective analysis and evaluation of County programs and operations, which results in the issuance of public reports containing recommendations to strengthen and improve the delivery of public services to the citizens of Pinellas County. I believe the process we have established achieves that goal.

This audit plan is prepared to provide a core guide for audits to be initiated during the calendar year. The audit plan also provides for management requests, investigations of fraud, waste, and abuse, as well as other projects. Depending on workload and other factors, some of these projects may not be initiated during the year, and other projects may be conducted that are not on this audit plan.

If you have any questions or would like to discuss any aspect of this proposed audit plan, please call me anytime.

Respectfully Submitted,

Hector Collazo Jr.
Inspector General/Chief Audit Executive
Division of Inspector General



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INTRODUCTION

To ensure the most efficient and effective utilization of Inspector General staff resources, it is essential that areas selected for audit be carefully considered. Since the audit function, like other governmental functions, should provide the maximum possible benefit to Pinellas County citizens, audits should be conducted, which will ultimately result in the most benefit. Because of the large number of possible areas to audit throughout the County and limited staff resources to audit them, a careful audit selection process should be in place. Such a strategic planning process has been conducted in determining this audit plan. The methodology of selecting audits and those areas selected for audit in 2017 are presented below.

SOURCES OF AREAS SELECTED FOR AUDIT

Areas selected for audit can come from a variety of sources. These include risk, management and employee requests, unannounced audits, and anonymous allegations of fraud, waste, and abuse.

Risk must be one of the primary factors in selecting areas for audit. Risk for some aspects of County operations is higher than others for many reasons, including the type of activities, financial and operational impact to the County if something were to go wrong, strength and attitude of management, and the length of time since the areas have been audited. Those areas of the County, which are high risk, should receive more audit attention than those of lower risk. It should be noted, however, that areas of lower risk should not be ignored; rather, they should be done with less frequency than the higher risk areas.

In addition to risk, management sometimes has concerns about some areas or for some other reason believes an audit is desirable. Because one of the goals of the Inspector General function is to be of assistance to management, these management requests are seriously considered in the selection of audits to be performed. As a part of the audit selection process, we solicit input from the Board of County Commissioners, County Administrator, County Management, County Attorney, Pinellas County Constitutional Officers, the Management of the Clerk's Office, and County Employees.

In addition, there is a need to conduct some audits on an unannounced basis whenever prior knowledge could compromise the integrity of the audit. These types of audits include cash counts, and some suspected instances of fraud, waste, or abuse.

Our establishment of a fraud, waste, and abuse hotline has also generated areas that have resulted in audits and investigations.

RISK ASSESSMENT METHODOLOGY

The first step in determining a risk assessment methodology is to prepare a list of auditable entities. These are possible entities that could be audited in the County, if we chose to do so. In arriving at this comprehensive list, we used the County's budget. By making sure all operations involving County funding were in some fashion included on the list of auditable entities, we have reasonable assurance that all significant County operations are included in our audit universe. Through this process, we identified over 250 auditable entities.

Once the auditable entities were identified, we determined how to assess the risk associated with each entity. We established six risk factors to be assessed for each entity:

1. Operational Impact
2. Complexity of Operations
3. Dollar Impact
4. Degree of Autonomy
5. Number of Years Since the Last Audit
6. Public Perception

Each of the risk factors were weighted with Dollar Impact, Operational Impact, and Number of Years Since the Last Audit together comprising 65% of the weight. Numerical risk scores were assigned for each risk factor for each auditable entity. Total risk scores were then calculated. Auditable entities were grouped into high, medium, and low risk categories based on total risk score. The audit plan includes primarily management requests and entities from the high-risk area, but also includes some entities with lower identified risk. The risk assessment methodology is in accordance with the *International Standards for the Professional Practice of Internal Auditing* and the *Principles and Standards for Offices of Inspector General*.

2017 INSPECTOR GENERAL'S ANNUAL AUDIT PLAN

Using the risk model, audit resource allocation, and management requests for audits, we developed the 2017 Annual Audit Plan. The Annual Audit Plan is a planning tool for the use of Inspector General resources. As such, it is subject to change throughout the year as the need arises. Inspector General reports will be issued during the year for the audits shown as in-progress as well as those audits and other projects planned.

2017 ANNUAL AUDIT PLAN

Audits Planned

Alcohol Beverage License Revenue
Audit of Selected Construction Contract – Job Order Contracting Program
Audit of Selected County Service & Maintenance Contract – CCC Linebarger
Audit of Selected County Service & Maintenance Contract – Airport Republic Parking
Court Evidence Custody, Criminal & Civil Operations, & Internal Controls
Development Review Services
Existing Bank Accounts
Finance Division Accounts Payable Operations & Internal Controls
Fleet Management NAPA Contract for Inventory Control
Internal Controls Over Selected County Applications' Interfaces
Juvenile Detention Operations
Paramedics Plus Agreement
Parks and Conservation Resources Parking Revenue & CALE Parking Meter Procedures
Payment Card Industry Compliance
Pinellas County Capital Improvement/Infrastructure Program – Public Works/PCR/Airport
Pinellas County Health Program
Regional 911
Tourist Development Tax Expenditures
Traffic Management System Coordination
Utilities Interagency Agreements

Continuous Audits

Annual Purchasing Card Usage - BCC/Clerk/County Administrator
Clerk's Employees' Use of DAVID Personal Data
Consumer Protection's Employees' Use of DAVID Personal Data
Fixed Asset Physical Inventories
Property Appraiser Employees' Use of DAVID Personal Data
Public Integrity Guardianship Audits
Unannounced Imprest Funds Audits
Unannounced Notary Audits

Investigations

Office of Public & Professional Guardians Investigations
Public Integrity Guardianship Investigations
Public Integrity Investigations

Audits/Investigations in Progress December 31, 2016

Follow-Up Audits
Intergovernmental Radio Program
Office of Public & Professional Guardians Investigations
Pinellas County Capital Improvement/Infrastructure Program – Utilities
Pinellas County Purchasing Card Usage
Pinellas Public Library Cooperative Operations & Internal Controls
Public Integrity Follow-Up Investigations
Public Integrity Guardianship Audits
Public Integrity Investigations
Risk Management's Controls Over DAVID Information
Solid Waste Contract for Waste to Energy Plant
Tax Increment Financing Districts Municipal Payments to County

COOPERATIVE PARTNERSHIPS IN SUPPORT OF COUNTY OPERATIONS

In addition to the Inspector General's Annual Audit Plan, the Inspector General's annual projects include the following cooperative partnerships in support of County operations as an independent, objective resource for the County. Examples of our 2016 support include:

Management Requests in Progress December 31, 2016

Health Insurance Consulting Project
Palm Beach County School District Office of Inspector General August 2016 Request
Palm Beach County School District Office of Inspector General June 2016 Request
Pinellas County Housing Authority Section 8 Review

Ongoing Projects

Consulting Services
Departmental Education/Assistance
Special Management Requests

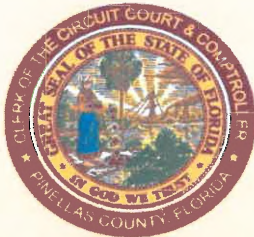
Operational Hotlines

Inspector General's County-Wide Fraud, Waste and Abuse Hotline
Pinellas County Sheriff's Prison Rape Elimination Act (PREA) Hotline
Sixth Judicial Circuit Court's Guardianship Fraud, Waste and Abuse Hotline

Participation On Various Boards And Teams

Budget Financial Management Services Delivery Team
Contract Management Services Delivery Team
Security Panel
Technology Steering Committee

Note: This Inspector General's Annual Audit Plan represents a flexible planning document. As such, some audits identified herein may not be conducted this year. Also, audits may be conducted which are not included in this document.



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